

SENATE No. 613

The Commonwealth of Massachusetts

PRESENTED BY:

Joan B. Lovely

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to review of provider material changes.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Joan B. Lovely

Second Essex

Elizabeth A. Malia

11th Suffolk

SENATE No. 613

By Ms. Lovely, a petition (accompanied by bill, Senate, No. 613) of Joan B. Lovely and Elizabeth A. Malia for legislation relative to review of provider material changes. Health Care Financing.

The Commonwealth of Massachusetts

**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**

An Act relative to review of provider material changes.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 8 of Chapter 6D of the General Laws, as appearing in the Official
2 Edition, is hereby amended by inserting after paragraph (g), the following new language:

3 (h) As part of the annual public hearings established herein, the commission shall conduct
4 an annual review of the status of all of the commission-approved material changes pursuant to
5 section 13 of this chapter, to determine whether the benefits providers have given as the reasons
6 for coming together, such as lower costs, better integration or improved quality, have been
7 realized. The commission shall collect written testimony from relevant parties and identify
8 additional witnesses for the public hearing. Witnesses shall provide testimony subject to
9 examination and cross examination by the commission, the executive director of the center and
10 attorney general at the public hearing in a manner and form to be determined by the commission.
11 Testimony may include, but not be limited to: (i) the impact of the material change on the
12 relative price and total medical expenses; (ii) the impact of the material change on insurer

13 reimbursement rates; (iii) the quality of the services provided; (iv) the impact of the material
14 change on consumer access to services; (v) the extent to which the material change resulted in
15 measurable increases in efficiencies, coordination of care or other benefits of integration; (vi) the
16 impact of the material change on competing options for the delivery of health care services
17 within its primary service areas and dispersed service areas including, if applicable, the impact
18 on existing service providers of a provider or provider organization's expansion, affiliation,
19 merger or acquisition, to enter a primary or dispersed service area in which it did not previously
20 operate; (ii) any other factors that the commission determines to be in the public interest. If the
21 commission finds that an approved material change has failed to produce the stated benefits, the
22 commission may: (i) subject the provider or provider organization to enhanced review, including
23 but not limited to a new cost and market impact review, (ii) require the provider or provider
24 organization to complete a corrective action plan, or (iii) prohibit the provider or provider
25 organization from making any additional material changes to its operating or governance
26 structure for one year following a reevaluation and approval by the commission. The commission
27 shall issue a report that details the findings of the public hearing, including any and all oral and
28 written testimony and shall include any actions taken by the commission against any provider or
29 provider organization. The report shall be posted on the commission's website and shall be filed
30 with the house of representatives and senate clerks, the house and senate committees on ways
31 and means, and the joint committee on health care financing.